

DDI-2262-75

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August 27, 1975

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting of the Inter-American Interagency Working Group on International Narcotics Control

1. The second meeting, in as many days, of the ARA Inter-agency Committee on International Narcotics Control was convened by the Chairman, William Luers, the Deputy Assistant Secretary for Inter-American Affairs, on 26 August 1975. The agenda included the proposed Narcotics Control Action Plans (NCAP) for Bolivia, Uruguay, Paraguay, Argentina, Venezuela, and Costa Rica. The meeting was attended by Richard Dugstad, Dan Cohen, and Craig Buck from Ambassador Vance's office; Mort Bach (Treasury), Brian Rickle (Customs), William Plase, Ira Rickolsen, and Mr. Fassler (DEA); Allen Hansen (USIA), Mary Perkey (OMB), Mary Wampler, and Howard Groom (AID; [REDACTED] 25X1 (CIA); and Richard Lindblad (NIDA).

2. The discussion of each NCAP was preceded by general remarks by the chairman and by the State desk officer for each country as it was considered. Primary attention was given to Bolivia because it is one of the two largest producers of coca leaf in the world. As in Peru, coca is produced domestically and is shipped to neighboring countries from where it is smuggled into Europe and the United States. Illicit trafficking is a big problem in Bolivia, primarily because of the influence the traffickers have on the power structure. There are many individual entrepreneurs from the United States and other foreign countries as well as several well established local organizations. Thus far economic, political, and cultural constraints have made it impossible to mount an effective coca crop eradication program.

3. The major issue raised by the proposed NCAP for Bolivia is the suggested crop substitution program. A pilot project was approved last December but it never got off the ground. One of

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DOJ Review Completed.

State Dept. review completed

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the most serious problems apparently is the difficulty in finding US specialists to staff the project. Americans generally do not care to live in the hinterland areas of Bolivia targeted for the crop substitution to replace coca cultivation. No crop has yet been found that can, by itself, compete with the returns from the coca crop; possible substitutes, as a package, include citrus fruit, tree crops, and coffee. Coca plants are able to produce three or four crops annually.

4. There is a legitimate, as well as illicit, market for Bolivian coca; there is no reliable estimate of the amount of coca that enters illicit channels as cocaine. A multi-discipline study has yet to be made of the legitimate use and marketing of Bolivian coca. The Catholic University of Bolivia has offered to undertake such a study if it can get the necessary financial support from the United States. The University would conduct its study in conjunction with NIDA. The Department of State, and presumably the Department of Agriculture, favor a broad survey to determine the total ambience in which a viable crop substitution program can be developed in Bolivia. The ambassador, however, prefers that any such study be limited to Bolivian coca cultivation and possible crop substitutes. Presumably these differences will be worked out when the ambassador comes to Washington next month to discuss the situation.

5. AID is having second thoughts about a \$3.1 million item already in the budget for expansion of the crop substitution survey in Bolivia. It believes that the proposed projects may be premature. There appeared to be general consensus to support only a pilot project. It was suggested, however, that the bureaucracy should start working now on a contingency plan for crop substitution and that the US mission in Bolivia encourage the Bolivians to build crop substitution into its over-all economic development program.

6. During consideration of the law enforcement aspects of the NCAP, the AID representative questioned the legitimacy of the request for sub-machine guns for the Bolivian police. Mary Wampler drew attention to an administrative rule of Congress that AID not supply any weapons not normally considered part of the police arsenal. It was decided that weapons requests would be considered on a case-by-case basis, and the chairman suggested that the embassy be asked to justify that particular item.

7. In discussing the projected operating costs involved in the proposed Bolivian NCAP, the question was raised of the broad modalities and parameters under which CCINC funds can be

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used. AID claimed that CCINC funds should not be used for activities directly or solely in support of DEA activities. The problem seems to be one largely of definition, however, with State viewing the qualification as primarily aimed at assuring that NARC funds be used for DEA approved activities. The Committee was reminded that the DEA cannot undertake unilateral investigations or other activities on its own in any host country unless they are in support of the approved NARC effort in the host country.

8. On the recommendation of Ambassador Vance's office, the operating budget was approved for the first half of the fiscal year to assure that the necessary operational support for the Bolivian program is available until the outstanding issues can be clarified. A special meeting will be held in October to address the subject before the Regional Conference scheduled for November 5 and 6 in Caracas, Venezuela.

9. The question of developing an inter-American regional approach to the narcotics problem was discussed in the wake of the recent conference of Latin American states. The Committee decided to defer further discussion of this item until the Caracas conference. One of the more than 20 recommendations that have come out of the Latin American conference was the proposed establishment of a regional intelligence center on narcotics matters. Apparently several Latin American countries aspire to attain a leadership role in a regional narcotics control effort at least in name and for the prestige involved. Bolivia, as an aspiring leader, is expected to subscribe to the Single Convention in the near future and to contribute to the UN drug effort next year.

10. Some discussion evolved concerning the justification for, or rationale behind, the projected augmentation of DEA staffing in Latin America. Bill Plase (DEA) responded briefly but the issue was left to be resolved between DEA and the Department of State. DEA is estimated to have about 30 agents in South American countries at this time. It was pointed out that the current GAO thinking is that the larger the DEA presence in a particular country the greater the danger of direct DEA involvement supplanting the host country's effort. The DEA representative reemphasized the concern that the US may face a new influx of European heroin passing through Latin American countries as other routes and sources become pinched off. He offered this comment as partial rationale behind DEA's

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request for additional slots for DEA agents to augment the surveillance and intelligence gathering operations. State countered by urging DEA to consider the priorities in accordance with current ceiling restrictions for the area. As an aside, it was noted by the desk officer that there are currently some 22 Americans in jail in Bolivia on drug related charges. This situation is viewed as something of a mixed blessing; although it may be an indication of the effectiveness of the international drug control program, it increases the pressures on the embassy to intercede in behalf of the victims.

11. The NCAPs for Uruguay, Paraguay, Argentina, Venezuela, and Costa Rica did not raise any serious problems. Review of the Paraguay NCAP was postponed until the 8 September meeting because the airgram (Asuncion A-74, 8 August 1975) containing the proposed plan had not been disseminated prior to the Committee meeting. The chairman commented that the Paraguay NCAP paints a very dismal picture of the future prospects of narcotics control efforts there. The ambassador to Paraguay reportedly regards the narcotics issue as his most important problem and intends to give it his close attention. As Paraguay was not included in the original submission to Congress, Congressional approval will be required before any program can be funded for this country. Because the amount requested is small, no real problem is anticipated, although it will have to be submitted to Congress for approval as it was not considered previously.

12. The proposed NCAP for Argentina provides for the completion of programs already started; no new programs are suggested for FY-77. DEA affirmed that it is receiving only minimal cooperation from Argentinean authorities and that much of its activity in Argentina involved unilateral intelligence gathering. In face-to-face encounters with Argentinean officials cooperation is good but the relationship is not sustained. AID commented that any new agreement must be premised on assurances of improved cooperation and suggested that no new agreement should be concluded until the domestic situation there calms down. The desk officer was somewhat optimistic of the future; he expects that the political situation in Argentina will stabilize within the next two or three months.

13. The NCAP for Argentina was approved in principle. The cable to the embassy in Buenos Aires will indicate the readiness of the Interagency Committee to approve funds as soon as the Ambassador feels the situation has calmed down sufficiently to permit the implementation of a viable bilateral narcotics control effort. Congressional approval will also be required.

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14. It was noted in passing that certain types of equipment already in Argentina--especially the two aircraft--are vulnerable to usage unrelated to narcotics control. Mary Wampler (AID) suggested further that the training provisions of the NCAP be given close scrutiny. In any event, further training in Argentina will be held in abeyance until the domestic situation stabilizes. In the meantime, the Embassy's proposals for training will be turned over to the CCINC Training Subcommittee for review. The situation in Argentina is not all bad however. DEA feels that many of the professional relationships it has been able to develop through training courses attended by officials from Argentina will become a positive factor in the long run.

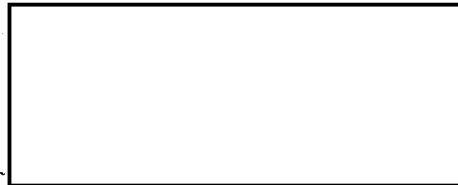
15. The NCAP for Costa Rica was approved in principle; as in several other cases, Congressional approval will be needed. Some problems still remain before the NCAP receives final Committee approval. New communications equipment requested may not be compatible with equipment already on order on the basis of the agreement signed in June. The OMB representative, who recently visited Costa Rica, urged that the requested communication equipment be supplied as soon as possible, however, as the success of the narcotics control program there largely hinges on it. The Committee decided to approve the proposed program for planning purposes and to send a technician to Costa Rica on TDY to study the equipment supply situation and review the communications requirements. It was felt that the request for electronic monitoring equipment especially needs further clarification. There is some question as to whether this particular type of equipment should come from DEA or from CCINC funds. The DEA and Customs training proposals were approved.

16. The Venezuela NCAP did not raise any special problems. As an oil-rich country, Venezuela does not face funding problems. From the viewpoint of narcotics control, Venezuela is important primarily as a cocaine transit site. The appearance in Venezuela of persons involved with the Lebanese-French heroin connection has raised questions whether Venezuela may be under consideration as a major transit link in the illicit network. A major smuggling effort involving Venezuela would have serious implications for the entire northwest coast of South America and the neighboring islands.

17. Venezuela is viewed as a potentially important location for the development of a regional training center for narcotics control. DEA urged that further training be encouraged in Venezuela. Apparently Venezuelan customs, although active in the port areas, is virtually non-existent along the land frontier.

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18. The Committee approved the NCAP in principle; the training requirements will be reviewed during the Caracas Conference in November. Apparently funds have already been set aside for the projected DEA/Customs training. Because Venezuela is an oil-rich country, and especially because of Venezuela's recent expropriations, no equipment, per diem, nor travel funds will be made available. This should raise no problem, however, because the Venezuelan Government has a special fund for training abroad. Mort Bach (Treasury) commented that the Executive Branch is particularly chary of granting assistance to any oil-rich country. It is possible that "seed money" may be made available for the development of a Regional Training Center in Venezuela, but the countries themselves will be responsible for the on-going operations of any such center.



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